
By: ~~Delegates Morhaim, Elliott, Hammen, and Nathan Pulliam~~
Nathan Pulliam, Benson, Boteler, Boutin, Bromwell, Costa, Donoghue,
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Pendergrass, Rosenberg, Rudolph, Smigiel, V. Turner, and Weldon

Introduced and read first time: January 16, 2004
Assigned to: Health and Government Operations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: February 17, 2004

CHAPTER _____

1 AN ACT concerning

2 **Health Insurance - Coverage for Children Young Adults**

3 ~~FOR the purpose of requiring certain health insurance policies and contracts that~~
4 ~~provide coverage for family members to provide coverage for certain children~~
5 ~~under certain circumstances; establishing conditions that a child must meet to~~
6 ~~be eligible for certain coverage under the policy or contract; permitting a child to~~
7 ~~qualify for certain coverage under certain circumstances; specifying that a~~
8 ~~child's spouse does not qualify for certain coverage; authorizing an insurer,~~
9 ~~nonprofit health service plan, or health maintenance organization to require~~
10 ~~certain proof; requiring an insurer, nonprofit health service plan, or health~~
11 ~~maintenance organization to pay the cost of certain proof; authorizing an~~
12 ~~insurer, nonprofit health service plan, or health maintenance organization to~~
13 ~~impose certain cost-sharing requirements under certain circumstances;~~
14 ~~authorizing an insurer, nonprofit health service plan, or health maintenance~~
15 ~~organization to price certain coverage in a certain manner; requiring the~~
16 ~~insured, subscriber, employee, or member to request certain coverage for a child~~
17 ~~during certain time periods; providing for the application of this Act; defining a~~
18 ~~certain term; and generally relating to coverage for children under policies or~~
19 ~~contracts of health insurance insurers, nonprofit health service plans, and~~
20 health maintenance organizations, within a certain time before a child who is
21 covered under a parent's group health insurance policy as a full-time student
22 attains a certain age, to provide a certain notification and certain information;
23 requiring the Maryland Insurance Administration to provide certain
24 information on its website and in printed form, on request; and generally
25 relating to information regarding insurance coverage for adult children.

1 BY adding to
2 Article - Insurance
3 Section 15-416 and 15-1313
4 Annotated Code of Maryland
5 (2002 Replacement Volume and 2003 Supplement)

6 BY adding to
7 Article - Health - General
8 Section 19-706(zz)
9 Annotated Code of Maryland
10 (2000 Replacement Volume and 2003 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Insurance**

14 15-416.

15 ~~(A) IN THIS SECTION, "CONTINUOUSLY INSURED" MEANS THAT AN~~
16 ~~INDIVIDUAL HAS BEEN INSURED UNDER A HEALTH INSURANCE POLICY OR~~
17 ~~CONTRACT WITHOUT A BREAK IN COVERAGE OF MORE THAN 62 DAYS.~~

18 ~~(B) THIS SECTION APPLIES TO:~~

19 ~~(1) EACH INDIVIDUAL HEALTH INSURANCE POLICY THAT:~~

20 ~~(I) PROVIDES COVERAGE ON AN EXPENSE INCURRED BASIS; AND~~

21 ~~(II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE~~
22 ~~INSURED;~~

23 ~~(2) EACH GROUP HEALTH INSURANCE POLICY THAT:~~

24 ~~(I) PROVIDES COVERAGE ON AN EXPENSE INCURRED BASIS FOR~~
25 ~~EMPLOYEES OF AN EMPLOYER OR EMPLOYERS OR MEMBERS OF A UNION OR~~
26 ~~UNIONS; AND~~

27 ~~(II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF A COVERED~~
28 ~~EMPLOYEE OR MEMBER; AND~~

29 ~~(3) EACH INDIVIDUAL SERVICE OR INDEMNITY CONTRACT THAT:~~

30 ~~(I) IS ISSUED BY A NONPROFIT HEALTH SERVICE PLAN; AND~~

31 ~~(II) PROVIDES COVERAGE FOR A FAMILY MEMBER OF THE~~
32 ~~SUBSCRIBER.~~

~~(C) EACH POLICY OR CONTRACT SUBJECT TO THIS SECTION SHALL PROVIDE, ON REQUEST OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER, HEALTH INSURANCE BENEFITS TO A CHILD OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER UNTIL THE CHILD IS 30 YEARS OF AGE.~~

~~(D) (1) TO BE ELIGIBLE FOR COVERAGE UNDER SUBSECTION (C) OF THIS SECTION, A CHILD MUST BE CONTINUOUSLY INSURED FOR AT LEAST THE PREVIOUS 2 YEARS.~~

~~(2) A CHILD MAY QUALIFY FOR COVERAGE UNDER SUBSECTION (C) OF THIS SECTION REGARDLESS OF WHETHER THE CHILD:~~

~~(I) RESIDES WITH THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER;~~

~~(II) IS A DEPENDENT OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER; OR~~

~~(III) IS MARRIED.~~

~~(E) IF A CHILD IS MARRIED, THE COVERAGE REQUIRED UNDER THIS SECTION SHALL BE AVAILABLE ONLY TO THE CHILD OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER AND NOT TO THE CHILD'S SPOUSE.~~

~~(F) (1) AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION MAY REQUIRE PROOF THAT THE CHILD TO BE COVERED UNDER THE POLICY OR CONTRACT:~~

~~(I) IS THE CHILD OF THE INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER;~~

~~(II) IS LESS THAN 30 YEARS OF AGE; AND~~

~~(III) HAS BEEN CONTINUOUSLY INSURED FOR AT LEAST THE PREVIOUS 2 YEARS.~~

~~(2) IF THE INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION REQUIRES PROOF UNDER THIS SUBSECTION, THE INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION SHALL PAY THE COST OF THE PROOF.~~

~~(G) THE COVERAGE REQUIRED TO BE OFFERED UNDER THIS SECTION MAY BE:~~

~~(1) SUBJECT TO A COPAYMENT OR COINSURANCE REQUIREMENT OR DEDUCTIBLE THAT AN INSURER, NONPROFIT HEALTH SERVICE PLAN, OR HEALTH MAINTENANCE ORGANIZATION IMPOSES FOR SIMILAR COVERAGES UNDER THE SAME POLICY OR CONTRACT; AND~~

1 (2) ~~PRICED AT A RATE APPROPRIATE TO THE COST OF THE COVERAGE~~
2 ~~BASED ON UNDERWRITING STANDARDS.~~

3 ~~(H) AN INSURED, SUBSCRIBER, EMPLOYEE, OR MEMBER WHO ELECTS TO~~
4 ~~REQUEST THE COVERAGE SPECIFIED UNDER SUBSECTION (C) OF THIS SECTION~~
5 ~~SHALL REQUEST THE COVERAGE:~~

6 ~~(1) FOR A GROUP HEALTH INSURANCE POLICY, DURING AN OPEN~~
7 ~~ENROLLMENT PERIOD PROVIDED FOR UNDER THE POLICY; OR~~

8 ~~(2) FOR AN INDIVIDUAL HEALTH INSURANCE POLICY OR INDIVIDUAL~~
9 ~~SERVICE OR INDEMNITY CONTRACT, WITHIN 30 DAYS BEFORE THE ANNIVERSARY~~
10 ~~DATE OF THE POLICY OR CONTRACT.~~

11 (A) THIS SECTION APPLIES TO INSURERS, NONPROFIT HEALTH SERVICE
12 PLANS, AND HEALTH MAINTENANCE ORGANIZATIONS THAT DELIVER OR ISSUE FOR
13 DELIVERY IN THE STATE INDIVIDUAL, GROUP, OR BLANKET HEALTH INSURANCE
14 POLICIES AND CONTRACTS.

15 (B) AT LEAST 60 DAYS BEFORE A CHILD AGE 19 AND OLDER WHO IS COVERED
16 UNDER A PARENT'S INDIVIDUAL, GROUP, OR BLANKET HEALTH INSURANCE POLICY
17 OR CONTRACT AS A FULL-TIME STUDENT ATTAINS THE LIMITING AGE SPECIFIED IN
18 THE POLICY OR CONTRACT FOR A FULL-TIME STUDENT, AN ENTITY SUBJECT TO
19 THIS SECTION SHALL:

20 (1) NOTIFY THE PARENT OF THE IMPENDING LOSS OF THE CHILD'S
21 COVERAGE; AND

22 (2) PROVIDE INFORMATION REGARDING:

23 (I) ANY OTHER POLICIES THAT MAY BE AVAILABLE TO THE CHILD
24 FROM THE ENTITY; AND

25 (II) THE AVAILABILITY OF ADDITIONAL INFORMATION FROM THE
26 ADMINISTRATION REGARDING INDIVIDUAL POLICIES IN THE STATE.

27 15-1313.

28 THE ADMINISTRATION SHALL PROVIDE ON ITS WEBSITE AND IN PRINTED FORM
29 ON REQUEST A LIST OF CARRIERS, INCLUDING CONTACT INFORMATION FOR EACH
30 CARRIER, THAT OFFER INDIVIDUAL HEALTH BENEFIT PLANS IN THE STATE.

31 **Article - Health - General**

32 19-706.

33 (ZZ) THE PROVISIONS OF § 15-416 OF THE INSURANCE ARTICLE APPLY TO
34 HEALTH MAINTENANCE ORGANIZATIONS.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to
2 all policies and contracts issued, delivered, or renewed in the State on or after
3 October 1, 2004. Any policy or contract in effect before October 1, 2004, shall comply
4 with the provisions of this Act no later than October 1, 2005.

5 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
6 effect October 1, 2004.